

C O N F I D E N T I A L

DIRECTOR OF ADMINISTRATION

FISCAL YEAR 1988 THEME PACKAGE

TITLE: RETIREMENT ADMINISTRATION

25X1

1988 RESOURCES:

POSITIONS

FUNDS

The new Federal government supplemental retirement system and a breakdown in security procedures at the Office of Personnel Management has placed the Offices of Finance and Personnel in the position of having to assume a wider range of responsibilities without the appropriate resources. Legislation will be passed by Congress in April 1986 which will establish the new supplemental retirement system for employees hired since 1 January 1984 and concurrently provide authority for the Agency to administer the retirement programs for all Agency employees.

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With an effective date of 1 January 1987 and fiscal year 1988 being the earliest that we can request resources, an entire year will have passed, up to new retirees will have been added to the annuitant rolls (assuming that we do not have a mass exodus as a result of other occurrences), over resignees with associated retirement refunds, deferred annuities, and other record keeping requirements will have been processed, and the administration of all future civil service retirees will have been assumed. This will have an enormous impact on these DDA offices. The new three tiered retirement program with the involvement of Social Security in benefit determinations will require a variety of new computations for each potential retiree or survivor, a considerable involvement with one or more thrift plans (the need to protect the identity of our employees will require special arrangements), and the need to maintain data for several (or a single far more complicated) actuarial studies.

To minimize the impact on personnel resources it is necessary to develop several compatible computer applications for use by the Office's of Finance and Personnel. These systems will be developed with contractual assistance.

The Offices of Finance, Personnel and Information Technology require additional human resources, these resources combined with existing positions dedicated to administering retirement processing and payroll production and the proposed computer support systems will provide the basic support structure that will be needed initially. It must be recognized that the impact of this legislation will be greater than what we have set forth in this initial submission. The increased record keeping, the extent of the complications that

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will impact the annuity computations, the management of the retirement funds, and a variety of other factors may be far more costly than we can estimate at this time. This is why it is absolutely essential that this package receive a high priority. We have not over estimated our needs. We must have these resources and initiate the system applications before we create a situation that will be difficult, if not impossible, to handle.

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